

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the First quarter of year 2019

Unit: Millions of New Taiwan dollars

	Yearly Comparison			Sequential Comparison		
	1Q 2019	1Q 2018 (Note 2)	YOY%	1Q 2019	4Q 2018 (Note 2)	QOQ%
Net Sales	52,722	49,654	6.2%	52,722	60,892	-13.4%
Operating costs	(31,249)	(30,569)	2.2%	(31,249)	(37,190)	-16.0%
Gross profit	21,473	19,085	12.5%	21,473	23,702	-9.4%
Operating expenses						
Selling expenses	(2,143)	(2,163)	-0.9%	(2,143)	(3,222)	-33.5%
Administrative expenses	(1,555)	(1,676)	-7.2%	(1,555)	(1,559)	-0.2%
Research and development expenses	(14,607)	(13,316)	9.7%	(14,607)	(15,070)	-3.1%
Total operating expenses	(18,304)	(17,155)	6.7%	(18,304)	(19,851)	-7.8%
Operating income	3,169	1,929	64.2%	3,169	3,851	-17.7%
Non-operating income and expenses	836	1,057	-20.9%	836	642	30.1%
Net income before income tax	4,005	2,987	34.1%	4,005	4,493	-10.9%
Income tax expense	(589)	(452)	30.2%	(589)	(418)	41.0%
Net income	3,416	2,535	34.8%	3,416	4,076	-16.2%
Net other comprehensive income	9,177	1,093	740.0%	9,177	(1,484)	
Total comprehensive income	12,593	3,627	247.2%	12,593	2,591	385.9%
Net income (loss) attributable to :						
Owners of the parent	3,406	2,519		3,406	4,123	
Non-controlling interests	10	15		10	(48)	
	3,416	2,535		3,416	4,076	
Basic Earnings Per Share (NTD)	2.17	1.61		2.17	2.63	

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended March 31, 2019 and 2018

Unit: Millions of New Taiwan dollars

	<u>2019</u>	<u>% to sales</u>	<u>2018 (Note 2)</u>	<u>% to sales</u>	<u>YOY%</u>
Net Sales	52,722	100.0%	49,654	100.0%	6.2%
Operating costs	(31,249)	-59.3%	(30,569)	-61.6%	2.2%
Gross profit	21,473	40.7%	19,085	38.4%	12.5%
Operating expenses					
Selling expenses	(2,143)	-4.1%	(2,163)	-4.4%	-0.9%
Administrative expenses	(1,555)	-2.9%	(1,676)	-3.4%	-7.2%
Research and development expenses	(14,607)	-27.7%	(13,316)	-26.8%	9.7%
Total operating expenses	(18,304)	-34.7%	(17,155)	-34.5%	6.7%
Operating income	3,169	6.0%	1,929	3.9%	64.2%
Non-operating income and expenses	836	1.6%	1,057	2.1%	-20.9%
Net income before income tax	4,005	7.6%	2,987	6.0%	34.1%
Income tax expense	(589)	-1.1%	(452)	-0.9%	30.2%
Net income	3,416	6.5%	2,535	5.1%	34.8%
Net other comprehensive income	9,177	17.4%	1,093	2.2%	740.0%
Total comprehensive income	12,593	23.9%	3,627	7.3%	247.2%
Net income (loss) attributable to :					
Owners of the parent	3,406		2,519		
Non-controlling interests	10		15		
	3,416		2,535		
Basic Earnings Per Share (NTD)	2.17		1.61		

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MEDIATEK INC.
CONSOLIDATED BALANCE SHEETS
As of March 31, 2019 and 2018

Unit: Millions of New Taiwan dollars

	2019	%	2018 (Note 2)	%	YOY%
Current assets					
Cash and cash equivalents	151,479	36.2%	140,617	34.0%	7.7%
Financial assets at fair value through profit or loss-current	5,749	1.4%	3,821	0.9%	50.5%
Financial assets at fair value through other comprehensive income-current	27,740	6.6%	20,772	5.0%	33.5%
Financial assets measured at amortized cost-current	2,618	0.6%	24	0.0%	10742.4%
Trade receivables, net	25,312	6.0%	25,839	6.2%	-2.0%
Inventories, net	30,122	7.2%	33,320	8.1%	-9.6%
Other current assets	10,485	2.5%	15,896	3.8%	-34.0%
Total current assets	253,504	60.5%	240,289	58.1%	5.5%
Non-current assets					
Funds and investments	45,294	10.8%	54,728	13.2%	-17.2%
Property, plant and equipment	38,284	9.1%	37,891	9.2%	1.0%
Intangible assets	72,929	17.4%	75,286	18.2%	-3.1%
Other assets	8,721	2.1%	5,584	1.3%	56.2%
Total non-current assets	165,229	39.5%	173,490	41.9%	-4.8%
Total assets	418,733	100.0%	413,779	100.0%	1.2%
Current Liabilities					
Short-term borrowings	58,555	14.0%	62,700	15.2%	-6.6%
Trade payables	19,975	4.8%	28,581	6.9%	-30.1%
Other current liabilities	42,989	10.3%	42,235	10.2%	1.8%
Total current liabilities	121,518	29.0%	133,516	32.3%	-9.0%
Non-current liabilities					
Total non-current liabilities	9,912	2.4%	6,248	1.5%	58.6%
Total liabilities	131,430	31.4%	139,764	33.8%	-6.0%
Equity					
Share capital	15,937	3.8%	15,815	3.8%	0.8%
Capital surplus	85,573	20.4%	88,207	21.3%	-3.0%
Legal reserve	39,432	9.4%	36,998	8.9%	6.6%
Undistributed earnings	113,272	27.1%	105,450	25.5%	7.4%
Other equity	31,737	7.6%	26,191	6.3%	21.2%
Treasury shares	(56)	0.0%	(56)	0.0%	-
Equity attributable to owners of the parent	285,895	68.3%	272,605	65.9%	4.9%
Non-controlling interests	1,408	0.3%	1,410	0.3%	-0.1%
Total equity	287,303	68.6%	274,015	66.2%	4.8%
Total liabilities and equity	418,733	100.0%	413,779	100.0%	1.2%

Note1: Sums may not equal totals due to rounding.

Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect financial position as of December 31, 2018.

MEDIATEK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended March 31, 2019 and 2018

Unit: Millions of New Taiwan dollars

	2019	2018 (Note 2)
Cash flows from operating activities :		
Profit before tax from continuing operations	4,005	2,987
Adjustments for :		
The profit or loss items which did not affect cash flows:		
Depreciation	1,028	939
Amortization	987	834
Expected credit gains	(23)	(109)
Gains on financial assets and liabilities at fair value through profit or loss	(61)	(386)
Interest expenses	449	407
Gains on derecognition of financial assets measured at amortized cost	(5)	(26)
Interest income	(1,021)	(797)
Dividend income	(36)	(23)
Share-based payment expenses	370	113
Share of profit of associates accounted for using the equity method	32	(423)
Losses on disposal of property, plant and equipment	0	1
Properties, plants and equipment transferred to expenses	2	1
Losses on disposal of investments	16	5
Impairment of non-financial assets	-	23
Others	0	-
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(2,387)	1,488
Notes receivable	1	1
Trade receivables	3,683	(798)
Trade receivables from related parties	(1)	-
Other receivables	1,442	1,704
Inventories	850	(6,715)
Prepayments	(261)	(334)
Other current assets	(53)	(639)
Contract liabilities	828	(174)
Trade payables	2,333	5,020
Trade payables to related parties	(52)	51
Other payables	(5,934)	(6,092)
Other payables to related parties	4	-
Other current liabilities	(4,301)	742
Net defined benefit liabilities	(3)	2
Non-current liabilities-others	(6)	272
Cash generated from operating activities		
Interest received	759	784
Dividend received	36	23
Interest paid	(421)	(381)
Income tax paid	(571)	(166)
Net cash provided by (used in) operating activities	1,691	(1,663)
Cash flows from investing activities :		
Acquisition of financial asset at fair value through other comprehensive income	(1,599)	(745)
Proceeds from disposal of financial asset at fair value through other comprehensive income	2,252	8,750
Proceeds from capital return of financial asset at fair value through other comprehensive income	-	9
Acquisition of financial assets measured at amortized cost	(101)	(6,041)
Proceeds from redemption of financial assets measured at amortized cost	474	754
Acquisition of investments accounted for using the equity method	-	(546)
Proceeds from disposal of investments accounted for using the equity method	8	-
Acquisition of property, plant and equipment	(1,113)	(1,728)
Proceeds from disposal of property, plant and equipment	1	3
(Increase) decrease in refundable deposits	(13)	46
Acquisition of intangible assets	(1,517)	(1,397)
Increase in long-term prepaid rent	-	(1)
Net cash used in investing activities	(1,608)	(896)
Cash flows from financing activities :		
Increase (decrease) in short-term borrowings	7,426	(1,287)
Repayment of long-term borrowings	(14)	-
Increase in deposits received	392	1
Cash payment for the principal portion of the lease liabilities	(65)	-
Proceeds from exercise of employee stock options	-	5
Cash dividends	(0)	0
Net cash provided by (used in) financing activities	7,739	(1,281)
Effect of changes in exchange rate on cash and cash equivalents	486	(881)
Net increase (decrease) in cash and cash equivalents	8,309	(4,721)
Cash and cash equivalents at the beginning of the year	143,170	145,338
Cash and cash equivalents at the end of the year	151,479	140,617

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Note2: Reclassification adjustments made due to latest IFRS interpretation that does not affect annual amount for the period 2018.